

EXHIBIT C

In The Matter Of:

LEHMAN BROTHERS HOLDINGS INC., et al.

LEVENTHAL, SHARI D. - Vol. 1
August 18, 2011

HIGHLY CONFIDENTIAL INFORMATION
GOVERNED BY PROTECTIVE ORDER

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SHARI D. LEVENTHAL - 8/18/2011

Page 1

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

-----x

In re:

: Chapter 11

LEHMAN BROTHERS HOLDINGS
INC., et al.

: Case No.

Debtors

: 08-13555(JMP)

-----x

LEHMAN BROTHERS HOLDINGS :
INC., and OFFICIAL :
COMMITTEE OF UNSECURED :
CREDITORS OF LEHMAN :
BROTHERS HOLDINGS INC., : Adversary
et al.,

: Proceeding No.

Plaintiff and

Plaintiff Intervenor, : 10-03266(JMP)

vs. :

JPMORGAN CHASE BANK, N.A., :

Defendant. :

-----x

August 18, 2011

9:05 a.m.

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PROTECTIVE ORDER

Video Deposition of SHARI D. LEVENTHAL,
held at the FEDERAL RESERVE BANK OF NEW YORK,
33 Liberty Street, New York, New York, before
Frank J. Bas, a Registered Professional
Reporter and Notary Public of the State of New
York.

HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 127

1	HIGHLY CONFIDENTIAL - S. LEVENTHAL	
2	paragraph 13.	11:30:19
3	Q. We'll get a little bit more	11:30:20
4	into the actual discussions, but just, who	11:30:22
5	at -- at JPMorgan or representing JPMorgan	11:30:26
6	have you had discussions with about their view	11:30:29
7	on this \$15.8 billion repo issue?	11:30:33
8	A. Steve Cutler. Um, people from	11:30:36
9	Wachtell. I'm not going to try to remember	11:30:40
10	everyone who was involved. And some	11:30:42
11	operations people from Chase. And, again, I'm	11:30:45
12	not going to -- I'm not great with names, so I	11:30:47
13	am not going to try to remember them.	11:30:49
14	Q. Now, based on your	11:30:51
15	conversations that you have subsequently had	11:30:54
16	with Chase, what do you think Chase thought	11:30:55
17	was the issue that it was discussing on -- of	11:30:59
18	a dispute with Barclays on the 21st?	11:31:03
19	A. I am not going to speak for	11:31:05
20	what Chase thought it was discussing. I don't	11:31:07
21	know. I can tell you what my recollection is	11:31:09
22	and conversations that I had with Chase after	11:31:12
23	the fact. I don't know what they thought on	11:31:13
24	the 21st.	11:31:15
25	Q. What do you now know is Chase's	11:31:16

HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 128

1	HIGHLY CONFIDENTIAL - S. LEVENTHAL	
2	\$15.8 billion issue that it was disputing with	11:31:22
3	Barclays?	11:31:27
4	A. Well, in the time period after,	11:31:28
5	once Barclays learned that it didn't have the	11:31:31
6	7 billion in its account, the issue became	11:31:33
7	Chase had taken the 7 billion out of the	11:31:36
8	account, because it had been under the	11:31:38
9	impression that Barclays was going to assume	11:31:40
10	all of the lending to Lehman, which included	11:31:42
11	the, um, 15.8 billion that Barclays had funded	11:31:47
12	on the night of the 17th, I believe, and	11:31:51
13	Barclays in fact didn't do that, which left	11:31:54
14	Chase with that \$15.8 billion repo, because	11:31:57
15	Chase unwound and had it intraday on the 18th,	11:32:00
16	and then they ended up having it, still.	11:32:04
17	So Chase was upset about that,	11:32:06
18	because they felt that Barclays had committed	11:32:08
19	that they were going to take the exposure.	11:32:11
20	And Barclays was upset that	11:32:16
21	Chase had taken what it viewed as its \$7	11:32:18
22	billion.	11:32:23
23	Q. At any time that anybody from	11:32:23
24	JPMorgan has described this dispute to you,	11:32:27
25	has JPMorgan ever blamed it on anyone from	11:32:30

HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 129

1 HIGHLY CONFIDENTIAL - S. LEVENTHAL

2 Lehman Brothers?

11:32:33

3 A. Not that I recall.

11:32:33

4 Q. In fact, has JPMorgan ever

11:32:35

5 mentioned anyone related to Lehman Brothers in

11:32:37

6 relation to any dispute regarding the \$15.8

11:32:40

7 billion repo?

11:32:44

8 A. I could recall that there were

11:32:45

9 some discussions about the operational issues

11:32:49

10 that took place on the night of the 18th, and

11:32:51

11 there were some discussions about whether --

11:32:54

12 who from Lehman was involved in those

11:32:55

13 operational issues.

11:32:57

14 Q. And which operational issues do

11:32:58

15 you recall ever being associated with anyone

11:33:01

16 from Lehman Brothers?

11:33:03

17 A. The transfer of collateral.

11:33:04

18 Q. Meaning that certain collateral

11:33:07

19 did not sufficiently get transferred -- when

11:33:10

20 Barclays was taking over the Fed, didn't get

11:33:13

21 transferred over to Barclays?

11:33:15

22 A. Right --

11:33:16

23 MR. WOLINSKY: Objection.

11:33:17

24 A. Well, there were just issues

11:33:18

25 with the movement of the collateral, and since

11:33:19

HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 135

1 HIGHLY CONFIDENTIAL - S. LEVENTHAL

2 Q. Yeah, when it was talking to 11:38:38
3 you about this dispute, you -- 11:38:39

4 A. My recollection is that it 11:38:41
5 indicated that Barclays had made certain 11:38:43
6 commitments, but I don't know in what form or 11:38:45
7 how. 11:38:47

8 Q. Did JPMorgan ever tell you who 11:38:48
9 in fact told them or communicated to JPMorgan 11:38:51
10 that Barclays was going to continue the 11:38:55
11 financing on the next day? 11:38:57

12 A. No, they didn't tell me who. 11:38:58

13 Q. Do you remember JPMorgan ever 11:39:00
14 telling you that someone from Lehman had 11:39:01
15 caused JPMorgan to believe that Barclays was 11:39:05
16 going to continue financing? 11:39:07

17 A. No, I don't recall that. 11:39:09

18 Q. What about after the services 11:39:17
19 and settlement agreement is executed? You do 11:39:19
20 have discussions with Barclays and JPMorgan, 11:39:22
21 you know, about settling the issues, right? 11:39:24

22 A. Mm-hmm. 11:39:26

23 Q. Did -- do you ever remember a 11:39:26
24 time of Barclays taking the position that any 11:39:31
25 dispute related to the \$15.8 billion repo had 11:39:35

HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 137

1 HIGHLY CONFIDENTIAL - S. LEVENTHAL

2 started this process of the Fed attempting to 11:40:42
3 mediate this dispute between Lehman and -- 11:40:44
4 not between Lehman -- between Chase and 11:40:48
5 Barclays. 11:40:51

6 Q. Do you remember when you 11:40:51
7 received information from Mr. Hughes about 11:40:54
8 Barclays realizing that \$7 billion wasn't in 11:40:56
9 its account? 11:41:00

10 A. I know it was after the 22nd. 11:41:00
11 I don't recall when. 11:41:01

12 Q. And do you think that you heard 11:41:02
13 from Mr. Hughes pretty shortly after Barclays 11:41:04
14 did realize the \$7 billion wasn't in its 11:41:08
15 account? 11:41:11

16 A. I think it was relatively soon 11:41:12
17 after he -- they learned it, yes. I'm sorry. 11:41:13
18 I think it was relatively soon after they 11:41:20
19 learned it. 11:41:21

20 Q. And what did you do when you 11:41:24
21 heard this from Mr. Hughes? 11:41:26

22 A. As I said, it started a process 11:41:28
23 of mediating the dispute. I recall we reached 11:41:33
24 out to Chase to try to understand their 11:41:36
25 position. There was some back and forth. I 11:41:38

HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 139

1 HIGHLY CONFIDENTIAL - S. LEVENTHAL

2 securities were worth far less than the amount 11:43:01
3 that they had extended, than the credit they 11:43:04
4 had extended. 11:43:09

5 Q. So did Chase ever express to 11:43:09
6 you that they believed Barclays' actions had 11:43:12
7 caused JPMorgan to be exposed to the amount of 11:43:17
8 the deficiency between the loan amount and the 11:43:20
9 security value? 11:43:24

10 A. Yeah, I think that's fairly 11:43:24
11 accurate. 11:43:27

12 Q. Did JPMorgan ever express a 11:43:27
13 position that Lehman Brothers was in any way 11:43:32
14 the cause of this deficiency in the value of 11:43:36
15 the securities versus the loan amount? 11:43:43

16 A. Not that I recall. 11:43:45

17 Q. And did anyone from JPMorgan 11:43:45
18 ever blame any particular person at Barclays 11:43:49
19 for creating that exposure? 11:43:52

20 A. No. Not that I recall. 11:43:54

21 Q. And again, did they ever -- I 11:43:55
22 think you answered -- but ever name any 11:43:58
23 individual who had made a commitment or -- 11:44:00
24 from Barclays -- or caused them to think that 11:44:03
25 Barclays was going to continue that financing? 11:44:06

HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 146

1	HIGHLY CONFIDENTIAL - S. LEVENTHAL	
2	sound right?	11:50:15
3	A. I'm not sure.	11:50:15
4	Q. Okay. Let me understand just	11:50:19
5	the scope from a -- you know, a metaview of	11:50:27
6	where kind of it goes from here.	11:50:30
7	So at some point the parties	11:50:33
8	ask you and the Fed to work in some sort of	11:50:35
9	kind of mediation context on their dispute, is	11:50:39
10	that right?	11:50:42
11	A. Yeah.	11:50:42
12	Just to clarify going back.	11:50:43
13	What I think now is that -- looking at this I	11:50:46
14	am trying to trigger my memory, but I think	11:50:49
15	the idea was Chase knew it had the 7 billion,	11:50:51
16	so to Chase I think the consideration, so to	11:50:54
17	speak, was dismissal of the lawsuit plus it	11:50:57
18	had the 7 billion in Lehman's -- in LBI's	11:50:59
19	account. Barclays thought it was keeping the	11:51:02
20	7 billion, so it thought that the only	11:51:04
21	consideration, I believe, was the dismissal of	11:51:06
22	the lawsuit. So that's where the problem was.	11:51:09
23	But anyway, um -- okay. So now	11:51:14
24	you were saying?	11:51:16
25	Q. Luckily we have a transcript.	11:51:17

HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 189

1 HIGHLY CONFIDENTIAL - S. LEVENTHAL

2 Q. Throughout this whole time 13:21:04
3 period of fall 2008 did anybody ever discuss 13:21:06
4 an LBHI guaranty? And meaning a guaranty that 13:21:08
5 LBHI had executed with JPMorgan prior to the 13:21:13
6 bankruptcy. 13:21:18

7 A. When? 13:21:19

8 MR. WOLINSKY: Just can we 13:21:20
9 clarify on your calendar, the first day of 13:21:21
10 autumn is September 22. 13:21:22

11 MS. TAGGART: Fair enough. All 13:21:25
12 right. So maybe "fall" isn't the good word to 13:21:26
13 say. Okay. 13:21:30

14 BY MS. TAGGART: 13:21:30

15 Q. Let's just open it as big as 13:21:30
16 possible. 13:21:32

17 Have you ever discussed with 13:21:33
18 anybody anything related to a guaranty that 13:21:34
19 LBHI executed with JPMorgan prior to the 13:21:39
20 Lehman bankruptcy? 13:21:44

21 A. As I think I said earlier, it 13:21:46
22 may have come up in the course of the week of 13:21:49
23 the 15th, but I don't recall. 13:21:51

24 Q. Throughout the negotiations 13:21:53
25 about this dispute did anyone from JPMorgan 13:21:55

HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 190

1	HIGHLY CONFIDENTIAL - S. LEVENTHAL	
2	ever express, in sum and in substance, that	13:21:58
3	the exposures that resulted from this \$15.8	13:22:02
4	billion repo were guarantied, and so would be	13:22:07
5	paid eventually by LBHI?	13:22:09
6	A. I don't recall that.	13:22:11
7	Q. What about from Barclays; did	13:22:12
8	anybody from Barclays ever say, in sum or	13:22:15
9	substance, you know, don't come after us	13:22:18
10	because you're going to be able to get your	13:22:21
11	money from LBHI pursuant to a guaranty?	13:22:22
12	A. I don't recall. It may have	13:22:25
13	happened, but I don't recall.	13:22:27
14	Q. In any way, did the LBHI	13:22:27
15	prebankruptcy guaranty with JPMorgan have any	13:22:33
16	impact on that settlement negotiation?	13:22:36
17	A. I don't recall it.	13:22:38
18	Q. Did you personally ever form an	13:22:42
19	opinion about whether JPMorgan's concerns	13:22:52
20	about Barclays not fulfilling its commitment	13:22:56
21	was right or wrong?	13:22:58
22	MR. WOLINSKY: Objection.	13:23:00
23	MR. GUNTON: Objection. Can	13:23:02
24	you clarify "commitment"?	13:23:02
25	BY MS. TAGGART:	13:23:05

HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 292

1 HIGHLY CONFIDENTIAL - S. LEVENTHAL

2 THE VIDEO OPERATOR: This 16:07:42

3 concludes today's videotaped deposition. The 16:07:43

4 time is currently 4:07 p.m. This is going to 16:07:45

5 be the end of Tape 3 of 3. We are now off the 16:07:48

6 record. 16:07:50

7 --- 16:07:50

8 (Time noted: 4:07 p.m.)

9

10

11 _____
SHARI D. LEVENTHAL

12

13 Sworn and subscribed to before

14 me, this _____day

15 of _____, 2011,

16 in the jurisdiction aforesaid.

17

18

19 _____
NOTARY PUBLIC

20

21

22

23

24

25

HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 293

1

2

3

ACKNOWLEDGMENT OF DEPONENT

4

I, _____, do hereby

5

acknowledge that I have read and examined the

6

foregoing testimony, and the same is a true,

7

correct and complete transcription of the

8

testimony given by me, and any corrections

9

appear on the attached Errata sheet signed by

10

me.

11

12

13

14

15

16

(DATE)

(SIGNATURE)

17

18

19

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HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 294

1

2

C E R T I F I C A T E

3

STATE OF NEW YORK)

4

) ss:

5

COUNTY OF NEW YORK)

6

7

I, FRANK J. BAS, a Registered

8

Professional Reporter and Notary Public within

9

and for the State of New York, do hereby

10

certify:

11

That SHARI D. LEVENTHAL, the witness

12

whose testimony is hereinbefore set forth, was

13

duly sworn by me and that such testimony given

14

by the witness was taken down stenographically

15

by me and then transcribed.

16

I further certify that I am not

17

related by blood or marriage, to any of the

18

parties in this matter and that I am in no way

19

interested in the outcome of this matter.

20

IN WITNESS WHEREOF, I have hereunto

21

set my hand this 18th of August, 2011.

22

23

FRANK J. BAS, RPR

24

25

HIGHLY CONFIDENTIAL INFORMATION GOVERNED BY PROTECTIVE ORDER
SHARI D. LEVENTHAL - 8/18/2011

Page 295

1

2 STATE OF NEW YORK)

ss:

3 COUNTY OF NEW YORK)

4 I wish to make the following
changes, for the following reasons:

5 PAGE LINE(S) CHANGE REASON

6 _____|_____|_____|_____

7 _____|_____|_____|_____

8 _____|_____|_____|_____

9 _____|_____|_____|_____

10 _____|_____|_____|_____

11 _____|_____|_____|_____

12 _____|_____|_____|_____

13 _____|_____|_____|_____

14 _____|_____|_____|_____

15 _____|_____|_____|_____

16 _____|_____|_____|_____

17 _____|_____|_____|_____

18 _____|_____|_____|_____

19 _____|_____|_____|_____

20 _____|_____|_____|_____

21

SHARI D. LEVENTHAL

22 SUBSCRIBED AND SWORN TO BEFORE ME

23 THIS ____ DAY OF _____, 2011.

24

(NOTARY PUBLIC)

MY COMMISSION EXPIRES:

25